

State of Alaska FY2008 Governor's Operating Budget

Department of Environmental Conservation Facility Construction Component Budget Summary

Component: Facility Construction

Contribution to Department's Mission

Assist communities in improving sanitation conditions.

Core Services

- Provide grants, loans and engineering assistance for drinking water, sewerage, and solid waste facilities.
- Provide training programs for and certification of water and sewerage system operators.
- Provide over-the-shoulder and emergency assistance to system operators in remote communities.

End Results	Strategies to Achieve Results
A: Citizens are protected from unsafe sanitation facilities. <u>Target #1:</u> 100% serviceable rural Alaska homes are served by safe and sustainable sanitation facilities. <u>Measure #1:</u> % of serviceable rural Alaska homes served by safe and sustainable sanitation facilities.	A1: Allocate funding based on health related needs. <u>Target #1:</u> 2.5% annual reduction in rural sanitation deficiencies that are health related. <u>Measure #1:</u> % reduction of rural sanitation deficiencies that are health related. A2: Increase operator certification compliance. <u>Target #1:</u> 2% annual increase in the number of rural sanitation systems which comply with water treatment operator certification requirements. <u>Measure #1:</u> % annual increase in the number of rural sanitation systems which comply with water treatment operator certification requirements.

Major Activities to Advance Strategies

- Provide engineering and technical assistance to communities.
- Track grant payments.
- Execute loan agreements.
- Administer grants and loans.
- Track loan payments.
- Train water and wastewater facility operators and respond to emergencies.

FY2008 Resources Allocated to Achieve Results

FY2008 Component Budget: \$6,728,300

Personnel:

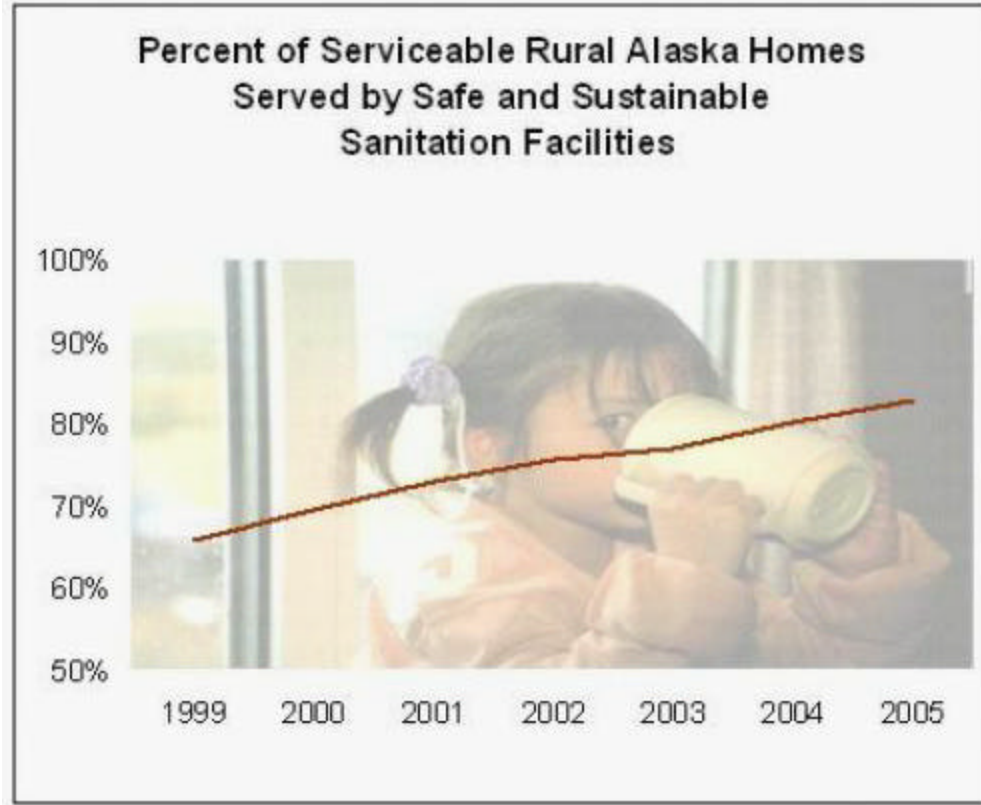
Full time	34
Part time	0
Total	34

Performance Measure Detail

A: Result - Citizens are protected from unsafe sanitation facilities.

Target #1: 100% serviceable rural Alaska homes are served by safe and sustainable sanitation facilities.

Measure #1: % of serviceable rural Alaska homes served by safe and sustainable sanitation facilities.



Analysis of results and challenges: Rural Alaska is characterized by over 280 isolated villages scattered across an area more than twice the size of Texas. The residents in many of these communities lack drinking water and wastewater infrastructure that is fundamental to protecting public health. The Village Safe Water program works to improve the health and safety of rural Alaskans by assisting communities to plan, design and construct safe and sustainable sanitation infrastructure.

Data to measure progress toward meeting the goal of all serviceable rural Alaska homes being served by safe and sustainable sanitation systems is collected on an annual basis following the prior year's construction season. A serviceable home is defined as an existing home that is occupied year round and located in an area where piped, closed haul or individual septic tanks/ wells are feasible. A sanitation system is defined as sustainable if the community managing it has the financial, technical and managerial capacity to properly operate and maintain it over a period which equals or exceeds the system's design life. For the last six years, the percentage of rural Alaska homes served by adequate sanitation systems has increased by an average of 3% per year. Contingent upon the availability of funding at FY2006 levels, the program's goal continues to be an average increase of 3% per year.

Data to measure progress toward meeting the goal of all serviceable rural Alaska homes being served by safe and sustainable sanitation systems is collected on an annual basis following the prior year's construction season. Data for FY2006 will be available after the second quarter of FY2007.

A1: Strategy - Allocate funding based on health related needs.

Target #1: 2.5% annual reduction in rural sanitation deficiencies that are health related.

Measure #1: % reduction of rural sanitation deficiencies that are health related.



Analysis of results and challenges: This is a new measure for FY2007, data will be available during the first quarter of FY2008.

A2: Strategy - Increase operator certification compliance.

Target #1: 2% annual increase in the number of rural sanitation systems which comply with water treatment operator certification requirements.

Measure #1: % annual increase in the number of rural sanitation systems which comply with water treatment operator certification requirements.



Analysis of results and challenges: This is a new measure for FY2007, data will be available during the first quarter of FY2008.

Key Component Challenges

In most of the United States, safe drinking water and wastewater disposal are taken for granted. In Alaska, safe and sustainable sanitation services which meet regulatory requirements often requires overcoming unique challenges including harsh climates, remote locations, permafrost soils, limited cash economies, small populations, frequent turnover of local utility staff, high energy costs, expensive freight and transportation, and rapidly increasing populations.

In order to assist in meeting these challenges, the Facility programs offer financial, technical, and training assistance to Alaska communities in developing and enhancing their water and sewer utilities.

Significant Changes in Results to be Delivered in FY2008

None.

Major Component Accomplishments in 2006

MUNICIPAL WATER, SEWERAGE AND SOLID WASTE MATCHING GRANTS PROGRAM

- Awarded a total of \$12.0 million in state and federally-funded matching grants to 12 communities for 16 water, wastewater and solid waste projects. The total local contribution was \$8.0 million.

MUNICIPAL LOANS PROGRAM

- Awarded \$37.4 million in new, low-interest loans to 9 communities for 23 water, wastewater and solid waste projects.
- Secured \$14.9 million in federal funding to add to loan account capital.
- Collected \$9.6 million in loan principal and interest for deposit into the loan funds.

VILLAGE SAFE WATER PROGRAM

- Secured \$59.7 million in federal Environmental Protection Agency and US Department of Agriculture-Rural Development grant funding for the program.
- Awarded \$89.7 million in grants for 89 water, wastewater and solid waste projects.

REMOTE MAINTENANCE WORKER PROGRAM

- Due, in part, to remote maintenance worker assistance, there have been no large scale failures of rural sanitation systems since 1989.
- Provided regular over-the-shoulder operator assistance to 183 communities.

OPERATOR CERTIFICATION PROGRAM

- Administered two statewide operator certification examinations to over 344 applicants where approximately 238 examinees attained certification or upgraded their existing certifications.
- Administered 566 exams to village operators in conjunction with 30 special entry-level training courses, of which 380 achieved entry-level certifications.

Statutory and Regulatory Authority

AS 46.03.030, AS 46.03.032, AS 46.03.036, AS 46.07, AS 46.30, 18 AAC 73, 18 AAC 74, 18 AAC 76, 18 AAC 77

Contact Information

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Facility Construction Component Financial Summary

All dollars shown in thousands

	FY2006 Actuals	FY2007 Management Plan	FY2008 Governor
Non-Formula Program:			
Component Expenditures:			
71000 Personal Services	2,733.3	3,091.0	3,514.0
72000 Travel	105.5	208.9	208.9
73000 Services	426.2	1,251.7	1,251.7
74000 Commodities	51.4	93.1	93.1
75000 Capital Outlay	0.0	30.0	30.0
77000 Grants, Benefits	1,719.1	1,630.6	1,630.6
78000 Miscellaneous	0.0	0.0	0.0
Expenditure Totals	5,035.5	6,305.3	6,728.3
Funding Sources:			
1002 Federal Receipts	1,568.1	2,452.1	2,462.8
1003 General Fund Match	635.9	635.5	736.4
1004 General Fund Receipts	695.1	291.4	324.8
1005 General Fund/Program Receipts	79.6	57.1	57.1
1061 Capital Improvement Project Receipts	1,457.1	2,813.7	3,085.6
1075 Alaska Clean Water Loan Fund	283.0	55.5	61.6
1100 Alaska Drinking Water Fund	316.7	0.0	0.0
Funding Totals	5,035.5	6,305.3	6,728.3

Estimated Revenue Collections

Description	Master Revenue Account	FY2006 Actuals	FY2007 Management Plan	FY2008 Governor
Unrestricted Revenues				
None.		0.0	0.0	0.0
Unrestricted Total		0.0	0.0	0.0
Restricted Revenues				
Federal Receipts	51010	1,568.1	2,452.1	2,462.8
General Fund Program Receipts	51060	79.6	57.1	57.1
Capital Improvement Project Receipts	51200	1,457.1	2,813.7	3,085.6
Alaska Clean Water Loan Fund	51205	283.0	55.5	61.6
Alaska Drinking Water Fund	51415	316.7	0.0	0.0
Restricted Total		3,704.5	5,378.4	5,667.1
Total Estimated Revenues		3,704.5	5,378.4	5,667.1

**Summary of Component Budget Changes
From FY2007 Management Plan to FY2008 Governor**

All dollars shown in thousands

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
FY2007 Management Plan	984.0	2,452.1	2,869.2	6,305.3
Adjustments which will continue current level of service:				
-Operator Certification Program Funding Change	92.5	-92.5	0.0	0.0
-FY 08 Health Insurance Increases for Exempt Employees	0.0	0.1	0.2	0.3
Proposed budget increases:				
-FY 08 Retirement Systems Rate Increases	41.8	103.1	277.8	422.7
FY2008 Governor	1,118.3	2,462.8	3,147.2	6,728.3

Facility Construction Personal Services Information

Authorized Positions			Personal Services Costs	
	<u>FY2007</u> <u>Management</u> <u>Plan</u>	<u>FY2008</u> <u>Governor</u>		
Full-time	34	34	Annual Salaries	2,195,234
Part-time	0	0	Premium Pay	0
Nonpermanent	4	4	Annual Benefits	1,543,047
			<i>Less 6.00% Vacancy Factor</i>	(224,281)
			Lump Sum Premium Pay	0
Totals	38	38	Total Personal Services	3,514,000

Position Classification Summary

Job Class Title	Anchorage	Fairbanks	Juneau	Others	Total
Administrative Clerk I	1	0	0	0	1
Administrative Clerk II	0	0	1	0	1
Analyst/Programmer I	0	0	1	0	1
College Intern III	0	0	1	0	1
Division Director	1	0	0	0	1
Environ Engineer I	2	0	0	0	2
Environ Engineer II	1	0	1	0	2
Environ Program Manager II	0	0	1	0	1
Environ Program Manager III	1	0	0	0	1
Environ Program Spec II	0	0	1	0	1
Environ Program Spec III	0	0	1	0	1
Graduate Intern I	3	0	0	0	3
Grants Administrator II	1	0	1	0	2
Maint Spec Bfc Foreman	1	0	0	0	1
Maint Spec Bfc Jrny II/Lead	2	0	1	0	3
Planner III	0	0	1	0	1
Prog Coordinator	0	0	1	0	1
Project Asst	0	0	1	0	1
Secretary	1	0	0	0	1
VSW Engineer I	4	0	0	0	4
VSW Engineer II	3	0	0	0	3
VSW Engineer III	1	0	0	0	1
VSW Engineering Assoc	4	0	0	0	4
Totals	26	0	12	0	38